



## **MEDIA RELEASE**

### **SMEs RALLIED TO ADOPT INDUSTRY 4.0**

The Fourth Industrial Revolution in terms of scale, scope and complexity are fast transforming the business landscape thus, cementing the core drive for the Ministry of International Trade and Industry (MITI) in advocating Industry 4.0 adoption in Malaysia. During the Industry 4.0 Seminar for Small and Medium Enterprises (SMEs) to be attended by more than 250 SME entrepreneurs at Menara MITI this afternoon, industry experts will share their journey in adopting Industry 4.0, the examples of realised benefits and competitive edge to be gained if SMEs use Industry 4.0 technologies now.

Dato' Sri Mustapa Mohamed said, "SMEs are an integral component of the Malaysian economy, annually contributing more than 30 per cent to the overall GDP and employing close to 60 per cent of the total labour workforce in the country. Despite their importance, exports and productivity of SMEs have yet to rise significantly. Embracing Industry 4.0 rightly promises exponential increase in productivity and efficiency; Malaysian enterprises, especially SMEs, must be aware that they need to adapt to changes brought about by the Fourth Industrial Revolution and explore practical methods to remain relevant in the global value chain."

The Seminar is aimed at building awareness on the concept of Industry 4.0 where firms can begin their journey of moving towards it. Increasingly, the push for Industry 4.0 adoption by matured industries are driven by customers demand for product customisation through high-mix, low-volume products, increase of quality while simultaneously keeping product cost down through minimising errors using high end technology. Ultimately, adopting new age technology will help resolve Malaysia's over dependency on low skilled workforce and elevate its manufacturing to be of higher value added.

It is important for SMEs who are different in nature compared to large corporations to realise that their foray into Industry 4.0 adoption requires leadership and change management. More SMEs must know that the aim of solving an existing problem in the manufacturing line can be done. SMEs could approach training institutions such as the Penang Skills Development Centre (PSDC) and German-Malaysia Institute (GMI) to get first-hand experience in utilising industry 4.0. PSDC recently launched its Precision Machining and Industry 4.0 Centre of Excellence where aged machines were retro-fitted with new technologies such as sensor, cloud computing and augmented reality to name a few components that enables a firm to be Industry 4.0 compliance. Adopting Industry 4.0 does not have to be an expensive exercise and could be done with existing equipment instead of high capital investments in purchasing of new machines.



**MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY**

There are many success stories from industry players that have shown results in terms of realised efficiency and productivity gains that can be of a lesson for SMEs. Some of the firms illustrate the use of integrating 3D printing and digital simulation in the prototyping stage to shorten the length of product design phase, utilising big data analysis and internet of things to prevent recurring breakdown of machinery to avoid production downtime, and even incorporating cloud computing and cybersecurity to ensure the integrity and security of company data as learning points for all.

“The Government recognises there is a need to improve the infrastructure and ecosystem to allow the convergence of the cyber and physical systems to take place at a greater speed. MITI is constantly collaborating with all the relevant Ministries and agencies to ensure we tackle the main challenges of Industry 4.0 to ensure its implementation roll out can be a success. But the Government is cognizant that it cannot do this alone. We need the industry players to work together with us in making this possible, with synergistic cooperation between the Government industry captains and academia, Industry 4.0 will be more than a buzzword. Now is the time we put words into action,” emphasised Dato’ Sri Mustapa.

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Ministry of International Trade and Industry (MITI)

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**About MITI:**

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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